

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

May 16, 2006

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, May 16, 2006, at 8:30 a.m. at the Caroline Hedger Apartments (formerly Sheridan/Devon Apts.), 6400 N. Sheridan, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present:	Sharon Gist Gilliam
	Hallie Amey
	Earnest Gates
	Dr. Mildred Harris
	Michael Ivers
	Martin Nesbitt
	Bridget O’Keefe
	Carlos Ponce
	Sandra Young
	Mary Wiggins

Absent:	None
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Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Terry Peterson, Chief Executive Officer, then presented his monthly report. Per Mr. Peterson, for some time now he has been saying that the CHA is on a path to creating a new national model of public housing. Mixed-income communities combined with other public and private investments represent the building blocks of strong-healthy neighborhoods. Mr. Peterson continued by saying that he had a chance to tell the CHA story to Congress and it was very-well received. They understood that CHA’s plan is ambitious and visionary. Issues discussed according to Mr. Peterson, included the importance of steady funding and flexibility from rules and regulations, continued Congressional support to rebuild public housing and provide more of the residents with opportunities to succeed. Mr. Peterson concluded his report by informing the public at large that in about four weeks Chicago will host the national organization of public housing executives and once again CHA’s hard work will be on display for the whole world to see. Participants will be taken on tours, introduced to residents and community leaders, and will be shown how neighborhoods are being rebuilt.

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session. Chairperson Gilliam thereupon introduced the Resolutions discussed in Executive Session. Chairperson Gilliam then presented a Motion to approve resolutions for Executive Items 1 through 6.

Per the Chairperson, due to a prior engagement, Commissioner Ponce had to depart.

Executive Item 1

RESOLUTION NO. 2006-CHA-57

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 1, 2006 requesting that the Board of Commissioners approves the Personnel Actions Report for April 2006.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for April 2006.

Executive Item 2

RESOLUTION NO. 2006-CHA-58

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 9, 2006, entitled “Approval of Reimbursement Arrangement between the City of Chicago and the Chicago Housing Authority”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chicago Housing Authority to reimburse the City of Chicago for salary and benefits paid to the Chief Executive Officer for the period January 1, 2006 through December 31, 2007.

Executive Item 3

RESOLUTION NO. 2006-CHA-59

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006, requesting authorization to enter into a settlement agreement in the amount of \$199,999.99 in the matter *of The Estate of Nina Pittman v. CHA, et al.*, 04 L 7747;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or her designee, to enter into a settlement agreement in the amount of \$199,999.99 in the case of *The Estate of Nina Pittman v. CHA, et al.*, 04 L 7747.

Executive Item 4

RESOLUTION NO. 2006-CHA-60

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006, requesting authorization to enter into a settlement agreement in the amount of \$500,000.00 in the matter *of The Estate of DaMontae Harris v. CHA, et al.*, 02 L 3450;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or her designee, to enter into a settlement agreement in the amount of \$500,000.00 in the case of *The Estate of DaMontae Harris v. CHA, et al.*, 02 L 3450, pursuant to which, the CHA will pay \$500,000 or its Self-Insured Retention.

Executive Item 5

RESOLUTION NO. 2006-CHA-61

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated April 27, 2006, requesting authorization to enter into a settlement agreement pursuant to which Mt. McKinley Insurance Company will pay the CHA the amount of \$400,000 in the matter *Mt. McKinley Insurance Company v. CHA, et al.*, 04 CH 12868, for the

termination of the CHA’s rights under the insurance policy provided by Mt. McKinley to the CHA,

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the General Counsel, or her designee, to enter into a settlement agreement pursuant to which Mt. McKinley Insurance Company will pay the CHA the amount of \$400,000 in exchange for the termination of the CHA’s rights under the insurance policy provided by Mt. McKinley as part of a settlement of the case of Mt. McKinley Insurance Company v. CHA, et al., 04 CH 12868.

Executive Item 6

Commissioner Ponce recused from voting on Executive Item 6 only:

RESOLUTION NO. 2006-CHA-62

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006, regarding authorization to amend the contract amount with Holland & Knight in connection with *K.R. Miller Contractors, Inc. v. Chicago Housing Authority*, 04 CH 16155;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to amend Contract No. 5159 with Holland & Knight to increase the amount of fees for the case known as *K.R. Miller Contractors, Inc. v. Chicago Housing Authority*, 04 CH 16155, in an additional amount not to exceed \$200,000 in order to pay for legal fees and expenses under the contract.

The Motion to adopt resolutions for Executive Session Items 1 through 6 was seconded by Commissioner Gates and the voting was as follows:

Ayes:	Sharon Gist Gilliam Halie Amey Earnest Gates Dr. Mildred Harris Michael Ivers Martin Nesbitt Bridget O’Keefe Carlos Ponce (<i>Recused from voting on Item 6 only</i>) Sandra Young Mary Wiggins
Nays:	None

The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

Commissioner O’Keefe, Chairperson of the Finance & Audit Committee, then presented her monthly report. Per Commissioner O’Keefe, the Finance & Audit Committee Meeting was held on Wednesday, May 10th at 1:00 p.m. at the 626 W. Jackson Corporate offices. The Chief Financial Officer and her staff presented the Committee with the Treasury Report for the month of April 2006, First Quarter Financial Report and Grant Progress Report as of March 31, 2006.

Commissioner O’Keefe then introduced an Omnibus Motion for adoption of resolutions for Items A1 through A6, discussed, voted and recommended for Board approval by the Finance & Audit Committee.

(Item A1)

The resolution for Item A1 authorizes the Chairman, Chief Executive Officer or the Chief Financial Officer to execute and deliver the Master Indenture, the Supplemental Indenture, the Bonds, the Bond Purchase Agreement and other documentation necessary to issue and sell not more than \$315,000,000 principal amount of the CHA Capital Program Revenue Refunding

Bonds, Series 2006. The Chicago Housing Authority has undertaken to transform public housing in the City of Chicago. The Authority's Plan for Transformation contemplates large-scale capital improvements to upgrade the Authority's inventory of housing units, including, the demolition of approximately 18,000 obsolete housing units and the rehabilitation and construction of approximately 25,000 housing units. In connection with the implementation of the Program, the Authority has previously issued its Capital Program Revenue Bonds, Series 2001 the purpose of which was to fund Program improvements by leveraging anticipated future capital funding revenues. The Bonds will be issued to refund the Series 2001 Bonds in order to restructure the Authority's debt service obligations. The Bonds will be issued pursuant to the Master Indenture and the Supplemental Indenture. The Bonds will be secured solely by a pledge of the Revenues and other moneys, securities and property from time to time held by the Trustee under the Master Indenture.

RESOLUTION No. 2006-CHA-63

RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$315,000,000 AGGREGATE PRINCIPAL AMOUNT OF CAPITAL PROGRAM REVENUE REFUNDING BONDS, SERIES 2006, OF THE CHICAGO HOUSING AUTHORITY, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER TRUST INDENTURE, A FIRST SUPPLEMENTAL TRUST INDENTURE, AN ESCROW AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING DISCLOSURE UNDERTAKING; AND AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AND RELATED MATTERS.

WHEREAS, the Chicago Housing Authority, a municipal corporation and a body corporate and politic, duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "*Authority*"), is authorized by the laws of the State of Illinois, including, without limitation, the Housing Authorities Act, 310 ILCS 10/1, *et seq.* (the "*Act*") and all laws amendatory and supplemental thereto, including in particular the Local Government Debt Reform Act, 30 ILCS 350/1, *et seq.*, as amended, to acquire and dispose of improved or unimproved property, to remove unsanitary or substandard conditions, to construct and operate housing accommodations, to regulate the maintenance of housing projects and to borrow, expend, loan, invest, and repay monies for the purposes set forth in the Act and such powers are public objects and governmental functions essential to the public interest; and

WHEREAS, the Authority has the power to issue its revenue bonds to finance in whole or in part the cost of acquisition, purchase, construction, reconstruction, improvement, alteration, extension or repair of any project or undertaking pursuant to the Act and to secure such bonds by pledges of its revenues, or in any other manner; and

WHEREAS, the Authority has the power to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Authority desires to authorize the issuance and sale of not to exceed \$315,000,000 aggregate principal amount of its Capital Program Revenue Refunding Bonds, Series 2006 (the "*Bonds*"), which Bonds shall be secured by Revenues and Bond proceeds or income from the temporary investment thereof, as provided in the Indenture (as hereinafter defined); and

WHEREAS, the Bonds are not a debt of any city, village, incorporated town or county, or the State or any political subdivision thereof other than the Authority and no city, village, incorporated town or country, or the State or any political subdivision thereof (other than the Authority as provided in the Indenture) will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority pledged pursuant to the Indenture; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the Indenture under which the Bonds will be issued and secured; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Escrow Agreement with respect to the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Purchase Agreement with respect to the sale of the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Tax Exemption Certificate and Agreement with respect to the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to approve the preparation and distribution of a preliminary official statement and the execution and distribution of an official statement in connection with the issuance and sale of the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interest of the Authority to authorize the execution and delivery of a Continuing Disclosure Undertaking with respect to the Bonds; and

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

SECTION 1. DEFINITIONS.

In this Resolution, each of the terms Act, Authority and Bonds shall have the meanings ascribed to such terms in the Recitals and the following terms shall have the meanings ascribed to such terms in this Section 1, unless the context otherwise requires:

“Authorized Officer” means the Chairman, Chief Executive Officer or Chief Financial Officer of the Authority, or any other person authorized by resolution of the Authority to perform the act or sign the document in question.

“Board Letter” means the Authority’s Board Letter relating to this Resolution and the issuance of the Bonds.

“Capital Fund Program” means the federal housing assistance program established in the year 1998 by the Quality Housing and Work Responsibility Act, amending Section 9(d) of the United States Housing Act of 1937 (42 U.S.C. §1437g(d)), and all successor or replacement federal programs pursuant to which the Authority receives funds for the purpose of public housing modernization, renovation or rehabilitation, including without limitation, any program under which the Authority receives capital funds for such purposes through the receipt of rental payment from, or on behalf of, tenants.

“Continuing Disclosure Undertaking” means a continuing disclosure undertaking, in form approved by an Authorized Officer, under which the Authority agrees to provide continuing disclosure to investors pursuant to Section 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Escrow Agreement” means the Escrow Agreement between the Authority and The Bank of New York Trust Company, NA, as trustee for the Series 2001 Bonds in substantially the form of *Exhibit C* attached hereto.

“Indenture” means the Master Indenture, as supplemented by the Supplemental Indenture.

“Interest Payment Date” means January 1 and July 1 of each year commencing on the date set forth in the Supplemental Indenture.

“Master Indenture” means the Master Trust Indenture between the Authority and the Trustee in substantially the form of *Exhibit A* attached hereto.

“*Person*” means any authorities, governmental agencies, private persons, firms or corporations.

“*Program*” means the Capital Program component of the Authority’s Plan for Transformation, as contemplated by the Moving to Work Demonstration Agreement, dated February 6, 2000, between the Authority and the Department, as such Agreement is amended and supplemented from time to time.

“*Purchase Agreement*” means the contract of purchase between the Authority and the Senior Managing Underwriter, as representatives of the underwriters named therein, relating to the issue, purchase and sale of the Bonds in form and substance acceptable to the Chief Financial Officer of the Authority in substantially the form of *Exhibit D* attached hereto.

“*Revenues*” means all moneys received by the Trustee for deposit in the funds and accounts established under this Indenture, other than moneys deposited into and held in the Program Expense Fund.

“*Senior Managing Underwriter*” means Banc of America Securities LLC.

“*Series 2001 Bonds*” means the Authority’s outstanding Capital Program Revenue Bonds, Series 2001.

“*Supplemental Indenture*” means the First Supplemental Trust Indenture between the Authority and the Trustee in substantially the form of *Exhibit B* attached hereto.

“*Tax Exemption Agreement*” means an agreement between the Authority and the Trustee containing requirements relating to the preservation of the tax-exempt status of the Bonds in form and substance acceptable to the Chief Financial Officer of the Authority.

“*Trustee*” means the Trustee named in the Indenture.

SECTION 2. PURPOSE AND DESCRIPTION OF THE BONDS.

(a) The form of the Bonds set forth in the Supplemental Indenture, subject to appropriate insertions and revisions in order to comply with the provisions of the Master Indenture and the Supplemental Indenture, is hereby authorized and approved. The Bonds shall be executed in the name and on behalf of the Authority by the manual or duly authorized facsimile signature of the Chairman of the Board and countersigned by the manual or duly authorized facsimile signature of the Chief Executive Officer of the Authority. No seal of the Authority shall be required to be affixed, imprinted, engraved or otherwise reproduced thereon. Any Authorized Officer of the Authority shall cause the Bonds, as so executed and attested, to be delivered to the Trustee, for authentication. When the Bonds shall be executed on behalf of the Authority in the manner contemplated by the Master Indenture, the Supplemental Indenture and this Resolution, they shall represent the approved form of Bonds of the Authority.

(b) The Bonds shall be designated “Chicago Housing Authority Capital Program Revenue Refunding Bonds, Series 2006,” *provided* that the Bonds may be issued in more than one series and may bear such additional series designations as determined by an Authorized Officer at the time of sale thereof. The Bonds shall bear interest at the rate or rates as provided in the Supplemental Indenture, but in no event shall such rate or rates exceed 9.00% per annum. Interest on the Bonds shall be payable on each Interest Payment Date as provided in the Supplemental Indenture. The Bonds shall mature on such dates as provided in the Supplemental Indenture, but in no event later than July 1, 2028. The Bonds shall be subject to redemption as provided in the Indenture. The Bonds may be redeemable prior to maturity at the option of the Authority, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of such Bonds being redeemed, plus accrued interest to the date of redemption), as shall be determined by an Authorized Officer at the time of the sale thereof. The Bonds may be made subject to sinking fund redemption, at par and accrued interest to the date fixed for redemption, as determined by an Authorized Officer at the time of the sale thereof; *provided*, that such Bonds shall reach final maturity not later than the date set forth herein.

(c) The Bonds, together with the interest thereon, are not general obligations of the Authority but are limited and special obligations payable solely from the Revenues, Bond proceeds and income and gains from the investment of Bond proceeds, and any other amounts pledged pursuant to the Indenture. The Bonds are not a debt of any city, village, incorporated town or county, or the State or any political subdivision thereof (other than the Authority as provided in the Indenture) and no city, village, incorporated town or county, or the State or any political subdivision thereof other than the Authority will be liable thereon.

(d) The Bonds shall be issued as “Senior Obligations” under the Indenture and shall have a *pari passu* lien on the trust estate described in the Master Indenture with any future Senior Obligations issued on a parity with the Bonds under the Master Indenture. The Bonds are being issued generally to provide funds to the Authority to refund the Series 2001 Bonds, to fund a debt service reserve fund or the purchase of a debt service reserve surety instrument for the Bonds, and to pay the costs associated with the issuance of the Bonds, all subject to the limitations and provisions contained in the Act and the Master Indenture. Proceeds of the Bonds shall be invested and applied as set forth in the Indenture. The Authority expressly authorizes, to the extent permitted by applicable law, the use of forward supply agreements, investment agreements, guaranteed investment contracts or similar agreements or contracts in connection with the investment of the proceeds of the Bonds.

SECTION 3. PLEDGE OF FEDERAL CAPITAL GRANT PAYMENTS TO SECURE BONDS.

The Board hereby affirms the authorization of the execution of the Master Indenture and the pledge by the Authority to the Trustee of moneys to be received by the Authority from the United States Department of Housing and Urban Development pursuant to the Capital Fund Program as security for the payment of the principal of, premium, if any, and interest on the Bonds.

SECTION 4. AUTHORIZATION OF BONDS AND AUTHORITY DOCUMENTS.

The Authority is hereby authorized to enter into the Master Indenture, the Supplemental Indenture, the Escrow Agreement and the Purchase Agreement in substantially the same forms thereof now before the Authority and is authorized to enter into the Tax Exemption Agreement and the Continuing Disclosure Undertaking, all in form approved by an Authorized Officer (collectively, the “*Authority Documents*”) with the other parties thereto. The form, terms and provisions of the Master Indenture, the Supplemental Indenture, the Escrow Agreement and the Purchase Agreement are in all respects approved. Each Authorized Officer of the Authority is authorized, empowered and directed to execute and deliver and, if required, to attest and to affix the official seal of the Authority to, the Authority Documents in the name, for and on behalf of the Authority, and thereupon to cause the Authority Documents to be executed, acknowledged and delivered to the other parties thereto. When the Authority Documents are executed and delivered on behalf of the Authority as hereinabove provided, such Authority Documents shall be binding on the Authority. The Board Letter and Authority Documents shall constitute, and hereby are made, a part of this Resolution, and copies of the final forms of the Board Letter and the Authority Documents shall be placed in the official records of the Authority following the issuance of the Bonds, and shall be available for public inspection at the office of the Authority.

SECTION 5. AUTHORIZATION TO SELECT UNDERWRITERS/SALE OF BONDS.

Subject to the limitations contained in this Resolution, authority is hereby delegated to any Authorized Officer to approve the sale of the Bonds to the Senior Managing Underwriter, as representative of a group of underwriters to be approved by the Chief Financial Officer, at a purchase price (which shall not be less than 97% of the principal amount of the Bonds, without regard to any net original issue discount relating to the sale of the Bonds) and subject to the terms and conditions relating to authorized denomination, registration, transfer and redemption of such Bonds as set forth in the Supplemental Indenture and the Purchase Agreement.

SECTION 6. OFFICIAL STATEMENT.

The preparation and distribution of a preliminary official statement and preparation, execution (by an Authorized Officer) and distribution of an official statement by the

Underwriters, is hereby authorized. Such preliminary official statement shall be in substantially the same form as is now before the Authority. Any Authorized Officer is authorized, empowered and directed to execute an official statement in substantially the same form as the preliminary official statement, but with appropriate variations to reflect the final terms of the Bonds.

SECTION 7. CHANGES TO INDENTURE.

There is hereby delegated to each Authorized Officer executing the Master Indenture and the Supplemental Indenture as provided above, the power to approve any final changes from the forms of such documents submitted herewith and approved hereby, the execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions from the form or forms of the Master Indenture and the Supplemental Indenture approved hereby.

SECTION 8. ACC AMENDMENT.

The proper Authorized Officer or officers are hereby authorized and directed to execute and deliver an amendment to the Annual Contributions Contract No. 1014 in order to facilitate the issuance of the bonds.

SECTION 9. CALL OF THE SERIES 2001 BONDS; PURCHASE OF ESCROW SECURITIES.

In accordance with the redemption provisions of the trust indenture under which the Series 2001 Bonds were issued, the Authority by this Board hereby makes provision for the payment of and does hereby call (subject only to the delivery of the Bonds), the Series 2001 Bonds maturing on and after July 1, 2013 for redemption and payment prior to maturity on July 1, 2012. The Authority expressly authorizes the use of the Government Securities as set forth in the Escrow Agreement, and the Senior Managing Underwriter and the trustee for the Series 2001 Bonds be and the same are each hereby authorized to act as agent for the Authority in the purchase of such Government Securities. In addition, the Authority expressly authorizes, to the extent permitted by applicable law, the use of one or more forward supply contracts in connection with the purchase of such Government Securities.

SECTION 10. FURTHER ASSURANCES.

Any Authorized Officer of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and is hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or as may be required in connection with the execution, delivery and performance of the Authority Documents, the Bonds and the distribution of the preliminary official statement and official statement authorized by this Resolution.

SECTION 11. RATIFICATION OF PRIOR ACTS.

All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

SECTION 12. REGISTRATION/BOOK-ENTRY.

The Bonds shall initially be issued in book-entry form and registered in the name of The Depository Trust Company, New York, New York ("*DTC*"), or its nominee, as securities depository. Any Authorized Officer is hereby authorized, empowered and directed to execute (and any Authorized Officer is authorized to attest) and deliver an agreement with DTC in order to effect such book-entry registration.

SECTION 13. SEVERABILITY

The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

SECTION 14. CONFLICTS.

All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

SECTION 15. EFFECTIVE DATE.

This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

(Item A2)

The resolution for Item A2 approves the financing plan and related financing documents needed to close the transaction for the rehabilitation of Britton Budd Apartments. Britton Budd Apartments located at 501 West Surf Street in Chicago was constructed in 1917 and acquired by CHA in the 1950's. The Property is located in the Lakeview Historic District and is registered as a National Register Historic District. This Senior designated apartment building is eleven stories high and currently contains 173 public housing units which will be converted, in whole or in part, to Project-Based Section-8 upon satisfactory completion of rehabilitation. The scope of work includes the replacement of the building's infrastructure systems. The renovation of each of the building's 173 units will included the repair and/or replacement of walls, ceiling and floors. New kitchen and bathroom cabinets, fixtures and appliances will be installed. Finish carpentry will include the repair/replacement of doors and trim. Each unit will be provided with fan coils for the individual operation of HVAC. New telephone and cable television wiring and devices will be installed. Upon unit renovation completion, 10 units will be designated as ADA accessible and four additional units as accessible for the visually and hearing impaired. Exterior renovation includes the replacement of all doors and windows and the repairs to the terra cotta façade. To facilitate the renovation of Britton Budd, a multi-tiered financing approach will be utilized. The CHA will sell the Britton Budd Apartments property to a tax-credit limited partnership. In addition, CHA will finance the purchase price through seller financing. CHA will issue tax-exempt bonds for permanent and interim bridge financing. CHA funds will be used to make a loan to the Owner to finance a portion of the rehab costs. Other sources in this financing plan include, tax credit equity, including Low Income Housing and Historical Preservation Tax credits and deferred developer fee.

FINANCING RESOLUTION NO. 2006-CHA-64

WHEREAS, the Chicago Housing Authority (the "Authority") is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the "Act"); and

WHEREAS, the Authority currently owns and operates Britton Budd Apartments, a 173-unit a senior designated public housing property (the "Property"), located at 501 West Surf, in the City of Chicago (the "City"); and

WHEREAS, notwithstanding the availability of funds under the Operating Subsidy and Capital Fund programs, adequate funds have not been available to the Authority to provide proper maintenance and repair; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program and the historic tax credit program pursuant to the provisions and requirements of Sections 42 and 47 of the Internal Revenue Code of 1986, as amended (the "Code") and to convert the property, in whole or in part, from public housing to project-based Section 8 housing; and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government's assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, Surf Senior Housing Limited Partnership, an Illinois limited partnership (the "Owner"), has been formed by the Authority to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits, historic preservation tax credits and FHA mortgage insurance; and

WHEREAS, Surf Housing Development, LLC, an Illinois limited liability company (the "General Partner"), has been formed by the Authority to serve as the general partner of the Owner; and

WHEREAS, a determination has been made by the Authority that the Property constitutes "multifamily rental housing" within the meaning of the Act and the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to the provisions of the Act and the Local Government Debt Reform Act, 30 ILCS 305/1 *et seq.* (the "Debt Reform Act"), the Authority is authorized to issue its bonds for the purposes provided herein; and

WHEREAS, the Authority will lend certain moneys to the Owner as described in Part I below; and

WHEREAS, the Authority will sell the Property to Owner and make a loan to the Owner to finance a portion of the purchase price of the Property, as described in Part I below; and

WHEREAS, the Authority will issue the 2006 Bonds (as herein defined) as described in Part II below;

NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Approval of Conversion of Property and Sale of Property and CHA Financing to Owner

Section 1.01 Conversion from Public Housing to Project-Based Section 8 and Approval of Public Housing Documents and Submissions. The conversion of the Britton Budd property from public housing to project-based Section 8, in whole or in part, including the submission to HUD of a conversion plan, is hereby approved and ratified. With respect to units that are not converted and remain public housing, if any, the Authority is hereby authorized to enter into a Regulatory and Operating Agreement with the Owner to provide operating subsidy. The Authority is hereby authorized to execute and deliver such other documents or instruments as may be necessary or appropriate to implement public housing requirements, including but not limited to, a Declaration of Restrictive Covenants and Mixed-Finance Amendment to the Consolidated Annual Contributions Contract, and to make such submissions to HUD (or seek such waivers) as may be necessary or appropriate in connection therewith, including but not limited to, a mixed-finance proposal, evidentiaries, and a disposition application (such documents and submissions are collectively referred to as "Public Housing Documents").

The Designated Officers of the Authority (or any of them) are hereby authorized to execute and deliver the Public Housing Documents on behalf of the Authority.

Section 1.02 Sale and Transfer of Property. The sale and transfer of the Property to the Owner for a purchase price of not less than \$4,000,000 is hereby approved in all respects.

Section 1.03 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit A, is approved in substantially the form presented to this meeting, and the Chairman, Chief Executive Officer, or Chief Financial Officer (the “Designated Officers”) of the Authority are authorized to execute and deliver the Master Real Estate Sale Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 1.04 Section 8 Contract. The Authority is hereby authorized to enter into a Section 8 Housing Assistance Payments (the “HAP Contract”) (and an Agreement to enter into a Housing Assistance Payments Contract (the “AHAP”)) with Owner to provide project-based voucher assistance with respect to all or any part of the Property and the Designated Officers of the Authority are authorized to execute and deliver the HAP (and the AHAP) on behalf of the Authority. The Designated Officers are authorized to renew the Section 8 Contracts as authorized by HUD.

Section 1.05 Approval of CHA Seller Financing Loan. As provided in the Master Real Estate Sale Agreement attached hereto as Exhibit A, the Authority shall provide seller financing to the Owner. To evidence the obligation of the Owner to pay the purchase price of the Property to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$5,000,000 and bearing interest at the Applicable Federal Rate (as defined in the Code) for a term not to exceed 45 years.

Section 1.06 Approval of CHA Loan. The Authority shall make a loan to the Owner, subject to any necessary HUD approval. To evidence the obligation of the Owner to repay the loan to the Authority, the Owner shall execute and deliver one or more promissory notes, in an aggregate amount not to exceed \$8,000,000 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver one or more subordinate mortgages on the Property and other security documents.

PART II

Approval of Permanent Bond and Bridge Bond Financing

Section 2.01 Authorization of Long-Term Bonds and Bridge Bonds. There are hereby authorized to be issued as herein provided not to exceed (a) \$8,823,750 aggregate principal amount of Chicago Housing Authority Multi-Family Housing Revenue Bonds, Series 2006A (Britton Budd Apartments) (the “Long-Term Bonds”), and (b) \$15,125,000 aggregate principal amount of Chicago Housing Authority Multi-Family Housing Revenue Bonds, Series 2006B (Britton Budd Apartments) (the “Bridge Bonds”, and collectively with the Long-Term Bonds, the “2006 Bonds”).

Section 2.02 Forms of Long-Term Bond Documents. There have been presented to this Board, forms of the following documents (such documents collectively referred to as the “Long-Term Bond Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
B	Trust Indenture (“Long-Term Bond Indenture”)	J.P. Morgan Trust Company, National Association, as Trustee
C	Financing Agreement	Owner, Trustee and Prairie Mortgage Company, as Lender
D	Regulatory Agreement and Declaration of Restrictive Covenants	Trustee and Owner
E	Long-Term Bonds Tax Agreement	Owner

Section 2.03 Forms of Bridge Bond Documents. There have also been presented to this Board, forms of the following documents (such documents collectively referred to as the “Bridge Bond Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
F	Trust Indenture (“Bridge Bond Indenture”)	J.P. Morgan Trust Company, N.A., as Trustee
G	Loan and Financing Agreement	Owner
H	Bridge Bond Tax Agreement	Owner

Section 2.04 Authorization of Long-Term Bonds. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of not to exceed \$8,823,750 aggregate principal amount of the Long-Term Bonds. The Long-Term Bonds shall be dated, shall mature on such dates (not beyond January 1, 2048) shall be in such principal amounts, shall bear interest at such rate or rates, not to exceed six percent (6%) per annum, shall be payable on such dates, all as shall be approved by the Chief Executive Officer or Chief Financial Officer, at the time of the execution and delivery of the Long-Term Bond Purchase Agreement (as hereinafter described). The Long-Term Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the Authority as herein provided.

Section 2.05 Source of Payment of Long-Term Bonds. The Long-Term Bonds, together with interest thereon shall be secured by the GNMA Securities (as defined in the Long-Term Bond Indenture) and shall be payable solely from the revenues and receipts derived from the GNMA Securities as provided in the Long-Term Bond Indenture (except to the extent paid out of moneys attributable to the Long-Term Bond proceeds and other funds established under the Long-Term Bond Indenture or the income from the temporary investment thereof), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from the GNMA Securities under the Long-Term Bond Indenture.

Section 2.06 Limited Obligations of the Authority. The Long-Term Bonds and the interest thereon are limited, not general, obligations of the Authority, payable solely from the Trust Estate under the Long-Term Bond Indenture. The Long-Term Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Long-Term Bonds be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Long-Term Bond Indenture. The Long-Term Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Long-Term Bonds or other costs incident thereto. The Long-Term Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.07 Execution and Delivery of Long-Term Bonds. The Long-Term Bonds shall be executed on behalf of the Authority in the manner provided in the Long-Term Bond Indenture. If any of the officers who shall have signed or sealed any of said Long-Term Bonds shall cease to be such officers of the Authority before the Long-Term Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Long-Term Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Long-Term Bonds had not ceased to be such officer or officers of the Authority; and also any such Long-Term Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such Long-Term Bonds, shall be the officers of the Authority so designated in the Long-Term Bond Indenture, although at the nominal date of such Long-Term Bonds any such person shall not have been such officer of the Authority.

Section 2.08 Approval of Long-Term Bond Documents. The forms of the Long-Term Bond Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority shall be, and each of them hereby is, authorized to execute and deliver the Long-Term Bond Documents with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of the Board's approval of such changes, insertions and completions, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Long-Term Bond Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by HUD or FHA in connection with the Mortgage Loan (as defined in the Long-Term Bond Indenture) or the GNMA Securities.

Section 2.09 Sale of Long-Term Bonds. (a) The Long-Term Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") selected by the Chief Financial Officer, subject to the terms and conditions of a bond purchase agreement related to the Long-Term Bonds (the "Long-Term Bond Purchase Agreement"). The Chief Executive Officer or Chief Financial Officer is authorized to execute and deliver on behalf of the Authority the Long-Term Bond Purchase Agreement in substantially the form attached hereto as Exhibit I with appropriate revisions to reflect the terms and provisions of the Long-Term Bonds, and with such other revisions in text as the Chief Executive Officer or Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Long-Term Bonds. The execution of the Long-Term Bond Purchase Agreement by the Chief Executive Officer or Chief Financial Officer shall be deemed conclusive evidence of the approval of this Board of the terms provided in the Long-Term Bond Purchase Agreement. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed 3 percent of their aggregate principal amount. In connection with the offer and delivery of the Long-Term Bonds, the Chief Executive Officer or Chief Financial Officer, and such other officers of the Authority as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Long-Term Bonds. Any limitation on the amount of Long-Term Bonds issued pursuant to this Resolution as set forth herein shall be exclusive of any original issue discount or premium.

(b) The Chief Executive Officer or Chief Financial Officer is hereby authorized to cause to be prepared the form of Preliminary Official Statement describing the Long-Term Bonds. The Preliminary Official Statement shall be in substantially the form attached hereto as Exhibit J (with such modifications as may be necessary or appropriate to reflect the project-based voucher program and/or the inclusion of public housing units, if any, in the development), together with such changes thereto and modifications thereof as shall be approved by the Chief Executive Officer or Chief Financial Officer. The distribution of the Preliminary Official Statement to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Long-Term Bonds are hereby authorized and approved. The Chief Executive Officer or Chief Financial Officer is hereby authorized to permit the distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions thereto and completions thereof as the Chief Executive Officer or Chief Financial Officer shall deem advisable. The Chief Executive Officer or Chief Financial Officer is hereby authorized to execute and deliver the final Official Statement to the Underwriters in the name and on behalf of the Authority, the execution of such final Official Statement to constitute conclusive evidence of the approval of such officer of such changes and completions.

(c) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Long-Term Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by such person of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the final Official Statement and the Long-Term Bond Purchase Agreement in connection with the Long-Term Bonds. Each filing shall be made as soon as practicable subsequent to the execution of the Long-Term Bond Purchase Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.10 Public Hearing. This Board hereby directs that the Long-Term Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Long-Term Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

Section 2.11 Authorization of Bridge Bonds. For the purpose of providing additional funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of the Bridge Bonds, which shall be in an aggregate principal amount not to exceed \$15,125,000. The Bridge Bonds shall be dated, shall mature on such dates (not beyond January 1, 2010) and in such principal amount, and shall bear interest at such rate or rates, not to exceed 6.5 percent per annum, and shall be payable on such dates, all as shall be approved by the Chief Executive Officer or Chief Financial Officer at the time of the execution and delivery of the Bridge Bond Purchase Agreement (as hereinafter described). The Bridge Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Bridge Bond Indenture as executed and delivered by the Authority as herein provided.

Section 2.12 Source of Payment of Bridge Bonds. The Bridge Bonds, together with interest thereon, shall be secured and payable solely as provided in the Bridge Bond Indenture, and shall be a valid claim of the owner thereof only against the funds and other moneys held under or pursuant to the Bridge Bond Indenture and the other pledge and security documents executed and delivered in connection with the Bridge Bonds.

Section 2.13 Limited Obligations of Authority. The Bridge Bonds and the interest thereon are limited, not general, obligations of the Authority, payable solely from the Trust Estate under the Bridge Bond Indenture. The Bridge Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Bridge Bonds be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Bridge Bond Indenture. The Bridge Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bridge Bonds or other costs incident thereto. The Bridge Bonds are not a debt of the United States of America or any agency thereof, and is not guaranteed by the United States of America or any agency thereof.

Section 2.14 Execution and Delivery of Bridge Bonds. The Bridge Bonds shall be executed on behalf of the Authority in the manner provided in the Bridge Bond Indenture. If any of the officers who shall have signed or sealed the Bridge Bonds shall cease to be such officers of the Authority before the Bridge Bonds so signed and sealed shall have been actually delivered by the Authority, the Bridge Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed the Bridge Bonds had not ceased to be such officer or officers of the Authority; and the Bridge Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of the Bridge Bonds, shall be the officers of the Authority designated in the Bridge Bond Indenture, although at the nominal date of the Bridge Bonds any such person shall not have been such officer of the Authority.

Section 2.15 Approval of Bridge Bonds Documents. The forms of the Bridge Bonds Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute, acknowledge and deliver the Bridge Bonds Documents, with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of such approval, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix

to the Bridge Bonds Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by the holder of the Bridge Bonds.

Section 2.16 Sale of Bridge Bonds. (a) The Chief Executive Officer or Chief Financial Officer is hereby authorized to sell the Bridge Bonds to MuniMae TE Bond Subsidiary, a Maryland limited liability company, (or other affiliate of MMA Financial, LLC), or its designee, as contemplated by the Bridge Bonds Purchase Agreement presented to this meeting at a purchase price of 100 percent of the principal amount thereof less an origination fee not to exceed 1% of the principal amount of the Bridge Bonds.

(b) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Bridge Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by such person of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the Bridge Bond Documents as executed and delivered by the Authority. Such filing shall be made as soon as practicable subsequent to the execution of the Bridge Bond Documents. The Secretary shall direct copies of such filings to this Board.

Section 2.17 Public Hearing. This Board hereby directs that the Bridge Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bridge Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

PART III

Miscellaneous

Section 3.01 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit K is approved in substantially the form presented to this meeting, and the officers of the Authority designated in the Right of First Refusal Agreement are authorized to execute and deliver the Right of First Refusal Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officers of the Authority executing the same, their approval to constitute conclusive evidence of this Board's approval of such changes and revisions.

Section 3.02 Investment Agreements. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized and directed to execute investment agreements covering all or a portion of the proceeds of the 2006 Bonds and other amounts held under the Long-Term Bond Indenture or the Bridge Bond Indenture. Any such agreement shall constitute a permitted investment under Illinois law.

Section 3.03 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of principal of or interest on any of the 2006 Bonds, or for any claim based on the 2006 Bonds, or upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution and the issuance of such 2006 Bonds.

Section 3.04 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise following the delivery date of any of the 2006 Bonds of any power or authority delegated to such official of the Authority under this Resolution with respect to the 2006 Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 3.05 Allocation of Volume Cap. In accordance with the provisions of Section 146 of the Code, the Authority shall accept an allocation of volume cap from the City for the purpose of the issuance of the 2006 Bonds. The Chief Executive Officer or Chief Financial Officer of the Authority are authorized to enter into an intergovernmental agreement with the City relating to volume cap.

Section 3.06 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 3.07 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 3.08 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

(Item A3)

The resolution for Item A3 ratifies the formation of the Surf Housing Development, LLC and Surf Senior Housing Limited Partnership with related documents needed to close the transaction for the rehabilitation of Britton Budd Apartments. The purpose of the Partnership will be to acquire, own, rehabilitate and operate Britton Budd. As set forth in the partnership agreement, the LLC, as general partner, will be responsible for managing the affairs of the Partnership. The LLC will also contract with the Partnership to provide development services, for which the LLC will be paid a development fee. The LLC will guarantee to the limited partner and/or the Partnership certain matters customary in tax credit transactions. However, such guarantees will be satisfiable solely from the assets of the Partnership and LLC and not from the assets of the CHA.

PROJECT RESOLUTION NO. 2006-CHA-65

WHEREAS, the Chicago Housing Authority (the “Authority”) is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation, the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the “Act”); and

WHEREAS, the Authority currently owns and operates Britton Budd Apartments, a 173-unit housing property for elderly and disabled persons (the “Property”), located at 501 West Surf, in the City of Chicago (the “City”); and

WHEREAS, notwithstanding the availability of funds under the Operating Subsidy and Capital Grant Funds, adequate funds have not been available to the Authority to provide proper maintenance and repair of the Property, and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable

to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the federal low-income housing tax credit program and the federal historic rehabilitation tax credit program (collectively, the “tax credit program”), pursuant to the provisions and requirements of Sections 42 and 47 of the Internal Revenue Code of 1986, as amended (the “Code”) and to convert the Property, in whole or in part, from public housing to Project-Based Section 8 housing; and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the tax credit program; and

WHEREAS, the rehabilitation will be financed in part with a FHA-insured mortgage loan and FHA mortgage insurance requires that a separate special purpose borrowing entity be established with respect to any FHA-insured mortgage loan; and

WHEREAS, Section 2 of the Act provides that the Authority shall have all powers necessary or appropriate in order to engage in the rehabilitation, development and redevelopment of projects; and

WHEREAS, Section 8 of the Act provides that the Authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act; and

WHEREAS, Section 26 of the Act provides that it is the purpose and intent of the Act to authorize the Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in the purchasing, acquiring, constructing, maintaining, operating improving, extending and repairing of housing projects.

NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Formation of LLC and Partnership

Section 1.01 Formation of LLC. The formation of Surf Housing Development, LLC, an Illinois limited liability company (the “General Partner”), of which the Authority is the sole member, is hereby ratified and confirmed in all respects. The Chief Executive Officer and the Chief Financial Officer of the Authority (the “Designated Officers”) are hereby authorized to take all actions necessary to maintain the status of the General Partner as a limited liability company under the laws of the State of Illinois.

Section 1.02 Operating Agreement. The form of **Operating Agreement** presented to this meeting and attached hereto as **Exhibit A** is approved in substantially the form presented to this meeting.

Section 1.03 Formation of Partnership. The formation of Surf Senior Housing Limited Partnership, an Illinois limited partnership (the “Owner”), is hereby ratified and confirmed in all respects.

Section 1.04 Partnership Agreement. The original Partnership, which was formed pursuant to a **certificate of limited partnership**, presented to this meeting and attached hereto as **Exhibit B**, and an oral agreement (authorized under Illinois law) between the General Partner and Terry Peterson, as the original limited partner, in his individual capacity and not in his capacity as Chief Executive Officer of the Authority, (the “Partnership Agreement”), are hereby approved. An amended and restated (written) partnership agreement, in the form approved by the Designated Officer, providing for the replacement of the original limited partner with an investor limited partner, is also hereby approved. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized to execute and deliver the Partnership Agreement on behalf of the General Partner.

Section 1.05 Development Agreement. The form of **Development Services Agreement** presented to this meeting and attached hereto as **Exhibit C** is approved in substantially the form presented to this meeting. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized to execute and deliver the Development Agreement on behalf of the Owner as well as on behalf of the General Partner.

Section 1.06 Section 8 Contract. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized to execute and deliver the Agreement to enter into a Housing Assistance Payments contract (the “AHAP”) and the Section 8 Housing Assistance Payments contract (the “HAP Contract”) on behalf of the General Partner, with respect to all, or a part of, the Property.

Section 1.07 Regulatory and Operating Agreement. The Chief Executive Officer and Chief Financial Officer of the Authority is hereby authorized to execute and deliver a Regulatory and Operating Agreement on behalf of the General Partner, with respect to such units that are not converted and remain public housing, if any.

Section 1.08 No Liability of the Authority. The debts, obligations and undertakings of the General Partner and the Owner shall be payable and/or satisfied solely from the assets and resources of the General Partner and the Owner, as applicable, and neither the Authority, the State of Illinois, the City or any other political subdivision of the State of Illinois shall be liable or responsible, directly or indirectly, for the payment or satisfaction of any such debt, obligation or undertaking, or for the performance of any pledge, obligation, or agreement of any kind whatsoever of the General Partner or the Owner.

Section 1.09 No Recourse. No recourse shall be had for the payment or satisfaction of any debt, obligation or undertaking of the General Partner or the Owner against any commissioner, member, officer, employee, agent, counsel or director, as such, past, present or future, of the Authority, to the maximum extent permitted by law, whether by virtue of any constitution, statute, ordinance or rule of law, or otherwise.

PART II

Approval of Sale and Transfer of Property

Section 1.01. Section 2.01 Sale and Transfer of Property. The sale and transfer of the Property to the Owner for a purchase price of not less than \$5,000,000 is hereby approved in all respects.

Section 2.02 Purchase and Sale Agreement. The form of **Purchase and Sale Agreement** with respect to the Property (the “Purchase and Sale Agreement”) presented to this meeting and attached hereto as **Exhibit D** is approved in substantially the form presented to this meeting, and the Chief Executive Officer or Chief Financial Officer of the Authority is authorized to execute and deliver the Master Real Estate Sale Agreement on behalf of the General Partner and on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the Designated Officer executing the same, such approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 2.03 Approval of Right of First Refusal Agreement. The form of **Right of First Refusal Agreement** with respect to the Property presented to this meeting and attached hereto as **Exhibit E** is approved in substantially the form presented to this meeting, and the Chief Executive Officer or Chief Financial Officer of the Authority is authorized to execute and deliver the Right of First Refusal Agreement on behalf of the Owner and on behalf of the General Partner in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the Designated Officer executing the same, such approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

PART III

Additional Approvals

Section 3.01 Development and Management of Property. The development and operation of the Property by the Owner is hereby approved. In order to accomplish those purposes, the Owner shall execute and deliver appropriate instruments and documents, including

but not limited to, the construction contract, architect's agreement and appropriate management agreement. .

Section 3.02 Loan Transactions. In order to finance the costs of rehabilitating and equipping the Property, the Owner shall execute and deliver appropriate documents, instruments, mortgages and security instruments as may be required by the applicable lender.

Section 3.03 Tax-exempt Financing. It is recognized that the FHA-insured Mortgage Loan and the Bridge Loan will be funded by CHA bonds, the interest on which is exempt from federal income taxation under Section 142 of the Internal Revenue Code of 1986, as amended. The Owner shall execute and deliver such documents and instruments as shall be required to support the tax-exempt status of such CHA obligations.

Section 3.04. Housing Assistance Payment Contracts for Project-Based Voucher Assistance. The Owner shall enter into a Housing Assistance Payment Contract (and an Agreement to enter into a Housing Assistance Payment Contract as applicable) with the CHA for the provision of project-based voucher assistance with respect to the Property for a term of ten years (or such longer period as may be authorized by HUD) and is authorized to renew such Section 8 contracts from time to time as authorized by the CHA or HUD.

PART IV

Section 4.01 Immunity of Officers, Employees and Members of Authority. No recourse shall be had upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution.

Section 4.02 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise of any power or authority delegated to such official of the Authority under this Resolution, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 4.03 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 4.04 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 4.05 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

(Item A4)

The resolution for Item A4 approves award of contract to Fastech Inc. to maintain, monitor and support Sun hardware and software. The Authority utilizes Sun hardware and software to support internal and external communications and essential functions. Every CHA computer is linked together via Sun hardware and software components, and critical applications such as Electronic Mail, Relocation Management Tracking and CCS would be adversely affected should the Sun components falter and the Authority is unable to recover in a timely manner. In February 2006, an Invitation for Bid was issued. The IFB was advertised in area newspapers. This IFB competitively solicited qualified firms and/or individuals who could provide Sun maintenance to the CHA. Of the 8 proposals received and opened, 2 proposals were deemed non-responsive because the vendors did not bid on all items in the maintenance list. Fastech, Inc., proposed the lowest responsive and responsible bid with a total price of \$251,308.16 for the two year base term, as well as comparatively favorable prices for the subsequent option terms relative to other bids in general.

RESOLUTION NO. 2006-CHA-66

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006, entitled "Authorization to enter into a Contract with Fastech, Inc., for Sun Maintenance".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Fastech, Inc. for Sun maintenance services for a two (2) year base term with three (3) one-year option periods, for the firm fixed price of \$251,308.16 for the two (2) year base term, and for the firm fixed prices of \$128,181.22, \$132,196.48, and \$132,196.48 for each of the respective and successive three (3) option years following the base term.

(Item A5)

The Authority has developed and is in the process of implementing applications based on an Oracle centralized data warehouse. The centralized and secured data will provide the CHA with access to reliable data on a real-time basis to support executive decision making. The services included in the Oracle Support Agreement will include access to product enhancements, upgrades and updates, as well as telephone support from qualified product technicians. In June of 2001, the ITS Department purchased Oracle products to replace many legacy computing systems and to serve as the primary computing platform for the CHA Systems@Work. Following the expiration of the initial maintenance and support term, support and maintenance services for the Oracle products and applications were obtained directly from Oracle Corporation for subsequent annual renewal terms. The latest maintenance and support term is due to expire in June, 2006. Accordingly, the resolution for Item A5 approves award of contract to Oracle Corporation for database software and maintenance services.

RESOLUTION NO. 2006-CHA-67

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated May 9, 2006, titled "Authorization to Enter into a Contract with Oracle Corporation for Oracle Database Software Support and Maintenance".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to enter into a contract with Oracle Corporation for Maintenance and Support Services for a one-year term for a total contract amount of \$113,630.00.

(Item A6)

The resolution for Item A6 approves award of contract to Sentinel Technologies to maintain, monitor and support Cisco hardware and software. The Authority utilizes Cisco software to support internal and external communications and essential functions. In February 2006, an Invitation for Bid was issued. The IFB was advertised in area newspapers. This IFB competitively solicited qualified firms and/or individuals who could provide Cisco maintenance to the CHA. Of the 8 proposals received and opened, 2 proposals were deemed non-responsive because the vendors bid on a 24-hour turn around maintenance instead of the 4 hour turn around

time specified in the solicitation. Sentinel Technologies proposed the lowest responsible and responsive bid with a total price of \$410,265.00 for the 2 year base term, as well as the lowest prices among those bids received for the 3 additional option years at the fixed price of \$208,736.00 per annum.

RESOLUTION NO. 2006-CHA-68

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006 entitled “Authorization to enter into a Contract with Sentinel Technologies for Cisco Maintenance”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with a two (2) year base term with three (3) one-year option periods with Sentinel Technologies for Cisco Maintenance, for the firm fixed price of \$410,265.00 for the two (2) year base term, and for the firm fixed price of \$208,736.00 per year for each of the three available option years.

The Omnibus Motion to adopt resolutions for Items A1 through A6 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Sharon Gist Gilliam Halie Amey Earnest Gates Dr. Mildred Harris Michael Ivers Martin Nesbitt Bridget O’Keefe Carlos Ponce Sandra Young Mary Wiggins
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance and Audit Committee report was also accepted in total.

Commissioner Gates, Chairperson of the Operations Committee, then presented the monthly report. Per Commissioner Gates, the Operations and Facilities Committee Meeting was held on Wednesday, May 10, 2006 at approximately 1:45 p.m. at the 626 W. Jackson Corporate offices.

At the request of staff, Item B7 was pulled from the Agenda, therefore, Commissioner Gates then introduced an Omnibus Motion for the adoption of resolutions for Items B1 through B6 discussed, voted and recommended for Board approval by the Operations & Facilities Committee.

(Item B1)

In order to effectively complete all construction, rehabilitation and capital maintenance activities outlined in the Plan for Transformation, the CHA requires professional Construction Management Services that will establish a single point of accountability, implement an efficient and comprehensive plan covering pre-construction, construction, and post-construction to ensure on-time delivery of housing units; and impose tight fiscal guidelines, as well as delay claims and change order protocols, to meet budget targets and constraints. These services are predicated upon certain internal changes within the Capital Construction Division of the CHA and include the elimination of certain redundant functions now being performed by the Managing Owner’s Representative the Owner’s Representatives and others. Accordingly, a Request for Proposal was advertised in February 2006 in area newspapers and on the CHA website. Sixty-seven firms were directly solicited, including 27 MBE/WBE/DBE firms. Of the 4 Respondents who made presentations before the Evaluation Committee and submitted a Best and Final Offer, Partnership for Transformation provides the best overall combination of ability and cost. The resolution for Item B1, therefore, approves a contract award to Partnership for Transformation.

Due to scrivener's error, the highlighted corrections were made to the following resolution:

RESOLUTION NO. 2006-CHA-69

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 9, 2006 entitled "Authorization to award a contract to Partnership for Transformation for Authority-wide Construction Management Services;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract for Authority-wide construction management services to Partnership for Transformation in an amount not-to-exceed \$3,147,737.00 for the first year of the base period. The contract will have a two (2) year base period, and two (2), one (1) year renewal options. This award is subject to the firm's compliance with CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

(Item B2)

In March 2002 the Board approved the Development Agreement with the Lake Park Crescent I, LLC for the Redevelopment of the Lakefront Properties site. Construction and lease-up has been completed for the first rental phase, which consisted of 60 public housing units, 52 affordable rental units, and 36 market rate rental units. The Development Agreement was subsequently terminated in August 2005, and the scope of further development was renegotiated and revised to limit construction to a portion of the site known as Lake Park Crescent Phase 1A For Sale Development. This first phase of for-sale development will consist of 13 public housing units, 20 affordable for sale units, and 35 market rate for sale units. Lake Park Crescent Phase 1A For Sale units will be developed within the Lakefront Properties Redevelopment site roughly bounded by East 40th Street on the North, 41st Street on the South, Lake Park Avenue on the West, and the Metra Rail Road on the East. As such, a portion of the development site will be ground leased to the developer for a term of 99 years for the development of 58 units including 13 units to be reserved for public housing residents relocated from the former Lakefront Properties site. The thirteen public housing units will consist of four one-bedroom, three two-bedroom, and six three-bedroom units. The remaining portion of the site will be conveyed via quit claim deed for the construction of 10 single family row-houses. The construction of Lake Park Crescent Phase 1A For Sale is expected to begin in June 2006. Accordingly, the resolution for Item B2 approves submittal of an acquisition application to HUD for the purchase of 13 units at the Lake Park Crescent Phase IA For Sale and execution of all other documents necessary to implement the foregoing.

RESOLUTION NO. 2006-CHA-70

WHEREAS, the Board of Commissioners has reviewed the Board letter dated May 9, 2006 requesting authorization to: (i) submit an acquisition application to HUD for the purchase of a leasehold interest in thirteen (13) units at the Lake Park Crescent Phase IA For Sale site; (ii) enter into a Contract to Purchase a Leasehold Interest with Lakefront Associates II, LLC; (iii) execute a Ground Lease and Quit Claim Deed with Lakefront Associates I, LLC for the construction of the Lake Park Crescent Phase IA For Sale development; and (iv) execute such other documents as necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to: (i) submit an acquisition application to HUD for the purchase of a leasehold interest in thirteen (13) units at the Lake Park Crescent Phase IA For Sale site; (ii) enter into a Contract to Purchase a Leasehold Interest with Lakefront Associates II, LLC utilizing up to \$2,186,454 in development program or capital funds to purchase a leasehold interest in thirteen (13) units to be designated as replacement units for former Lakefront Properties families; (iii) execute a Ground Lease and Quit Claim Deed with Lakefront Associates I, LLC for the construction of the Lake Park Crescent Phase IA For Sale sixty-eight unit development, and (iv) authorize the Chief Executive Officer or his designee to execute such other documents as necessary to implement the foregoing.

(Item B3)

In March 2002, the Board approved entering into a Development Agreement with Lake Park Crescent I, LLC. Construction and lease-up has been completed for the first rental phase, which consisted of 60 public housing units, 52 affordable rental units, and 36 market rate rental units. The Development Agreement was subsequently terminated in August 2005, and the scope of further development was renegotiated and revised to limit construction to a portion of the site known as Lake Park Crescent Phase 1A For Sale Development. CHA agreed to fund the cost of site remediation for pre-existing conditions (other than the costs which would have otherwise been incurred by the Developer), subject to certain rights to terminate for infeasibility. Site preparation for the new development has begun with the City's construction of public utility infrastructure. All of the necessary environmental reports and studies have been completed and the prerequisite approvals were obtained from the Illinois Environmental Protection Agency for the Remediation Action Plan proposed for the development site. The Lake Park Crescent I, LLC development team was the successful respondent to the 1999 RFP solicitation issued by Habitat Company and the City of Chicago's Department of Planning and Development for the redevelopment of the Lakefront Properties site. HUD has indicated that since a competitive process was engaged to procure the Lakefront Properties redevelopment team as identified in the Plan approved by HUD, and since the Lake Park Crescent Phase IA For-Sale site constitutes a portion of that Plan, and since the engineered barrier approach to remediation involves construction elements to be performed post-closing, there is sufficient justification to enter into this contract. Accordingly, the resolution for Item B3 approves contract with Lakefront Associates, LLC for environmental remediation activities at the Lake Park Crescent Phase IA For-Sale development site.

RESOLUTION NO. 2006-CHA-71

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated, May 9, 2006, requesting "Authorization to 1) Enter into a Contract for Environmental Remediation Activities with Lakefront Associates I, LLC, an Illinois Limited Liability Company, (The "Developer"), for the Lake Park Crescent Phase IA For-Sale Development Site and 2) Execute such other documents as necessary to implement the foregoing."

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) enter into a contract for environmental remediation activities with Lakefront Associates I, LLC, an Illinois limited liability company, (the "Developer"), for a total contract amount not to exceed \$1,167,449 which represents 200% of the estimated remediation cost for the Lake Park Crescent Phase 1A For-Sale Development site, and 2) execute such other documents as necessary to implement the foregoing. The term of the contract with regards to the Lake Park Crescent Phase 1A For-Sale Development site shall be the earlier of (i) receipt of a "No Further Remediation" letter from the Illinois Environmental Protection Agency ("IEPA"), or (ii) two years, subject to a one-year extension at CHA's election.

(Item B4)

The resolution for Item B4 approves submittal of a Disposition Application to HUD and execution of a 99 Year Ground Lease for 1208-24 W. Washburne with RS Retail LLC. The purpose of this ground lease is to increase the quality of life for the residents of the Roosevelt Square mixed-income community by providing access to goods and services as well as employment opportunities in a central location for the neighborhood. The subject property was vacated in 1999 when a vacant 9-unit residential building and adjacent parking lot from the old Brooks Homes development was demolished in conjunction with the reconstruction of the Brooks Homes. The property consists of 8 vacant lots of approximately 25,983 square feet, or .6 acres. The negotiated price of \$1,221,201 was based on appraisals obtained by the CHA, RS Retail LLC, as well as other comparable sales in the area. RS Retail LLC is comprised of LR Development as the sole member. RS Retail LLC will develop and own all of the commercial spaces in Roosevelt Square. RS Retail LLC has already constructed 5 ground floor retail spaces in the Phase 1 Roosevelt Square rental development area, and is currently constructing one additional retail space as part of the Phase 1 homeownership development. RS Retail LLC has

also already purchased land from private owners adjacent to the Washburne property that will provide the combined site with frontage and entrance onto Roosevelt Road. LR Development was selected as the Master Developer for the Mixed-Income redevelopment of the ABLA Homes in December 2002, based on a competitive proposal submitted to the CHA and the Receiver in August 2002. The CHA entered into a Master Development Agreement with LR ABLA LLC on August 1, 2003. As part of that contract, the CHA agreed that the terms and conditions for the ground lease of land owned by the CHA that would be used for commercial development would be negotiated at a later date and would provide for reasonable, market rate rent payments to the CHA. The CHA shall have no responsibility for environmental issues associated with this retail development. It is expected that this retail development will begin construction in early 2007.

RESOLUTION NO. 2006-CHA-72

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006 requesting authorization to (i) submit a disposition application to HUD; (ii) execute a ninety-nine (99) year Ground Lease for 1208-24 W. Washburne with RS Retail LLC and (iii) execute such other documents as necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to: (i) submit a disposition application to HUD; (ii) execute a ninety-nine (99) year Ground Lease for 1208-24 W. Washburne with RS Retail LLC and (iii) execute such other documents as necessary to implement the foregoing.

(Item B5)

The resolution for Item B5 approves submittal of a Mixed Finance Proposal, Evidentiaries and Amended Disposition Application to HUD and commits CHA Funds of up to \$12,700,000 to the Henry Horner Homes Phase IIB Rental On-site Redevelopment Project. The Horner Phase IIB Rental project will consist of approximately 127 new construction mixed income rental units built on CHA-owned land that formerly comprised part of the Henry Horner Homes, and a management office. The development will be located in an area bounded by Wood Street on the east, Wolcott Ave on the west, Lake Street on the north and Washington Blvd on the south. The project is expected to provide 70 rental units of replacement public housing for Horner residents, subsidized by the CHA under a 40-year contract to provide operating subsidy. Of the approximately 127 rental units, it is expected that 97 (including the 70 public housing units) will be subject to low-income housing tax credit restrictions and 30 units will be market rate with no restrictions. The CHA land in the Phase IIB Rental site will be ground leased by one or more ground leases to the ownership entity of the Brinshore-Michaels development team. The CHA will enter into other agreements to implement the proposal, which may include but not be limited to, loan documents, a regulatory and operating agreement, one or more mixed-finance amendments to the Annual Contributions Contracts, declarations of restrictive covenants, instruments necessary or appropriate to clear title, easements to implement the redevelopment, and other documents. The total cost of the project is approximately \$34,177,320. Permanent sources of funding for Phase IIB Rental include approximately: (1) \$14,248,556 in equity raised from the syndication of 9% tax credits allocated by the Illinois Housing Development Authority in the amount of \$1,500,000; (2) a \$2,400,000 first mortgage loan from JP Morgan Chase Bank; (3) an \$8,516,615 loan of Gautreaux public housing funds and \$1,735,527 in Horner settlement funds by the CHA; (4) a \$6,500,000 HOME loan from the City of Chicago Department of Housing; (5) a \$750,000 IHDA Trust Fund loan and (6) \$26,622 in deferred developer fee. An equity bridge loan of approximately \$9,400,000 from JP Morgan Chase Bank will be used during the construction period. In addition, the developer expects to receive approximately \$533,500 from the Federal Home Loan Bank of Chicago's affordable housing program for anticipated construction cost increases.

RESOLUTION NO. 2006-CHA-73

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 9, 2006, requesting authorization to 1) Submit a Mixed-Finance Proposal, Evidentiaries and an amended disposition application to the United States Department of Housing and Urban Developments (HUD) 2) Commit CHA funds up to \$12,700,000 to the Henry Horner Phase IIB Rental on-site rental redevelopment project, and 3) Dispose of CHA land at the Phase IIB Rental site to the ownership

entity(ies) by one or more ground leases, and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to:

1) Submit a Mixed-Finance Proposal, Evidentiaries and an amended Disposition Application to the United States Department of Housing and Urban Developments (HUD), 2) Commit CHA funds of up to \$12,700,000 (exclusive of remediation and demolition funds) to the Henry Horner Phase IIB Rental on-site redevelopment project, and 3) Dispose of CHA land at Phase IIB site by long-term ground lease(s) to the ownership entity(ies), and 4) Execute and deliver such documents and perform such actions as may be necessary or appropriate to implement the foregoing, subject to any necessary HUD approvals.

(Item B6)

The resolution for Item B6 approves the selection of The Community Builders (TCB) as the selected developer for a senior building within the Madden /Wells community, submit a Disposition Application to HUD and enter into a 99 year Ground Lease with TCB. A Request for Qualifications (RFQ) was issued by the CHA and the Madden/Wells Evaluation Panel evaluated the sole response. TCB will develop a privately owned senior building on the corner of 37th Street and Langley Avenue (approximately 3701-3749 S. Langley). The building will contain 81 units, and of these units, seventy-five percent (approximately 60 units) will be targeted to seniors living in the Madden/Wells and other public housing developments, as well as other eligible seniors that meet the HUD Section 202 income requirements. As the Developer, TCB intends to submit, as the sole sponsor, a funding application to HUD under its Section 202 Program. The eventual Owner of the Project will likely be a for-profit limited partnership with TCB created for the purpose of owning the Project. TCB will serve as the sole general partner. As part of the application process, an Option granted by CHA is necessary in order for TCB to evidence site control of the CHA-owned land. In the event TCB secures the Section 202 Program funding, in addition to other sources of financing required for the construction of the senior building, CHA will then enter into a 99-year ground lease with TCB. If HUD Section 202 Program funding is not awarded to TCB during the 2006 allocation year, at the election of the CHA, the Option may be renewed for an additional one year period to allow for TCB to resubmit a Fiscal Year 2007 HUD Section 202 Program funding application. In preparation of entering into the subject 99-year ground lease, CHA must submit a disposition application to HUD and obtain its approval for the disposition of the land where the senior building is to be constructed. As part of the overall development process, TCB has elected to enter into a Joint Venture Agreement with UJIMA. TCB will receive a developer fee for performance of its Developer Services, and will pay a fee to UJIMA for the performance of its services. UJIMA’s role will be to collaborate with TCB to engage the community throughout the development, construction, lease-up and management processes, and provide input on Section 3, MBE/WBE and local hiring. UJIMA will also have input on the design, development, and operation of the building.

Commissioner Young recused from voting on Item No. B6.

RESOLUTION NO. 2006-CHA-74

WHEREAS, the Board of Commissioners has reviewed the Board letter dated May 9, 2006 requesting: 1) approval of The Community Builders, Inc. (TCB) as the selected developer for a Senior building within the Madden/Wells community; 2) authorization to issue an Option Agreement and execute a 99-year Ground Lease with TCB (or its affiliate); 3) authorization to submit a disposition application to the U.S Department of Housing and Urban Development (“HUD”); and 4) authorization to execute such other documents necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby: 1) approves of The Community Builders, Inc. (TCB) as the selected developer for a Senior building within the Madden/Wells community; 2) authorizes the Chief Executive Officer or his

designee to issue an Option Agreement and execute a 99-year Ground Lease with TCB or its affiliate; 3) authorizes the submission of a disposition application to HUD; and 4) authorizes the Chief Executive Officer or his designee to execute such other documents necessary to implement the foregoing. In the event the Section 202 Program funding is not awarded during the 2006 allocation year, then the Option may be renewed for an additional one (1) year.

The Omnibus Motion to adopt resolutions for Items B1 through B6 was seconded by Commissioner Harris and the voting was as follows:

Ayes: Sharon Gist Gilliam
Halie Amey
Earnest Gates
Dr. Mildred Harris
Michael Ivers
Martin Nesbitt
Bridget O’Keefe
Carlos Ponce
Sandra Young (*Recused from voting on Item B6 only*)
Mary Wiggins

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations and Facilities Committee report was also accepted in total.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented her report. Per Commissioner Young, the Tenant Services Committee meeting was held on Wednesday, May 10, 2006 at 2:30 p.m. at the 626 W. Jackson Corporate Offices.

The Committee was presented with an update on Summer Youth Activities by Andy Teitelman, Deputy Managing Director of Resident Services, Natasha Smith of After School Matters and Harold Bailey of the Chicago Park District.

Commissioner Young then introduced an Omnibus Motion for the adoption of Resolutions for Items C1 and C2 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item C1)

The resolution for Item C1 approves the second one year contract option of Housing Choice Partners of Illinois (HCP). In December 2003, the Board authorized the initial contract with HCP to provide housing counseling and supportive services to families that had to relocate from their existing public housing units in 2004. Their units were in buildings scheduled for closing due to redevelopment/rehabilitation and they were to relocate to other CHA public housing units or private-market housing using a Housing Choice Voucher. The Contract’s initial term was for fourteen (14) months with four one-year options, which was extended for an additional one-year period pursuant to authorization of the Board. The services provided included obtaining/maintaining lease compliance, assessment, providing community tours, identifying housing and other services to assist families in meeting their housing choice. HCP has met, and at times exceeded its contract obligations with the CHA.

RESOLUTION NO. 2006-CHA-75

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 9, 2006, entitled “Recommendation to exercise the second one year option of Contract No. 0454 with HCP of Illinois, Inc. and Heartland Human Care Services, Inc., a Joint Venture for Housing and Supportive Services”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to exercise the second one (1) year option of Contract No. 0454 with

HCP of Illinois, Inc. and Heartland Human Care Services, Inc. a joint venture, for housing and supportive services for the period of July 1, 2006 through June 30, 2007 and to increase the Contract’s not-to-exceed compensation amount by adding 1,091,526.00 to the carryover balance remaining at the end of the first one-year option period. The new total not-to-exceed contract amount of Contract will be \$2,311,702.00.

(Item C2)

In August of 2002 an Intergovernmental Agreement was made and entered into by and between the CHA, the Housing Authority of Cook County, and the Lake County Housing Authority, the Metropolitan Planning Council, and the Illinois Housing Development Authority, to establish a new program entitled the Regional Housing Initiative. The Intergovernmental Agreement contemplated the addition of other housing authorities from the six county metropolitan region joining RHI as Participating Housing Authorities. The resolution for Item C2 approves inclusion of the McHenry County Housing Authority as a participating Housing Authority in the RHI IGA. McHenry agrees to contribute seven Housing Choice Vouchers to RHI.

RESOLUTION NO. 2006-CHA-76

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 9, 2006 entitled Authorization to include the McHenry County Housing Authority as a participating housing authority in the Regional Housing Initiative Intergovernmental Agreement;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT: the Board of Commissioners approves the Chicago Housing Authority entering into an amendment to the Regional Housing Initiative Intergovernmental Agreement to include the McHenry County Housing Authority as a participating housing authority in the Regional Housing Initiative.

THAT: the Board of Commissioners authorizes the Chief Executive Officer or his designee to take all actions and execute all documents necessary to implement the foregoing and ratifies any such actions taken.

The Omnibus Motion to adopt resolutions for Items C1 and C2 was seconded by Commissioner Amey and the voting was as follows:

Ayes: Sharon Gist Gilliam
Halie Amey
Earnest Gates
Dr. Mildred Harris
Michael Ivers
Martin Nesbitt
Bridget O’Keefe
Carlos Ponce
Sandra Young
Mary Wiggins

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Tenant Services Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

s/b: Sharon Gist Gilliam
Chairperson

s/b: Lee Gill, Custodian and
Keeper of Records